Losses to KVI

†1648. SHRIMATI KUM KUM RAI: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether Khadi and Village Industry are running at a loss;

(b) if so, the reasons therefor; and

(c) the measures taken to prevent this loss?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) to (c) The information in respect of profit/ loss making khadi and village industry (KVI) units is not maintained centrally. However, some KVI units/ institutions do suffer losses. The reasons for such losses include use of obsolete technology, inconsistent quality of products, lack of designs in keeping with market demand, lack of entrepreneurial and managerial skills, etc.

In order to help the KVI units/ institutions improve their viability on a sustainalble basis, incentives like product quality testing at subsidized rates, financial assistance for participation in exhibitions at the national and sub-national levels, assistance for creation of packaging and design facilities, assistance for marketing, brand building, publicity etc. , are provided by the Government through Khadi and Village Industries Commission (KVIC).

Bank loans under REGP

1649. SHRI MATILAL SARKAR: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that many of the village artisans cannot set up village industries by bank-loans under REGP schemes, because they cannot provide security required for that loan;

(b) whether it is also a fact that the real spirit of Khadi schemes is lost to a great extent for this reason;

(c) whether Government propose to introduce the system of grants in creating entrepreneurship in village industries;

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†Original notice of the question was received in Hindi.